



LEONG HUP INTERNATIONAL BERHAD

(201401022577) (1098663-D)

DIVERSITY POLICY

19 APRIL 2022

1. Introduction

This policy sets out the Board's approach to promote diversity for the Board and workforce in Leong Hup International Berhad ("the Company") and its subsidiary companies (collectively referred to as "the Group").

Diversity in this context covers gender, age, ethnicity, nationality, sexual orientation, cultural background and religious belief and social-economic status. Diversity also encompasses the ways people differ in terms of education, life experience, job function, work experience, personality, location, marital status and career responsibilities.

2. Objectives

The Company is committed to manage diversity, which may result from a range of factors including age, gender, ethnicity, nationality, sexual orientation, cultural background or other personal factors, as a means of enhancing the Company's performance by recognising and utilising contribution of diverse skills and talents from its Directors, Senior Management, officers and employees.

3. Policy Statement

The Board strongly endorses Board and Senior Management diversity as it is of the view that a diversified Board and Senior Management has the prospects of achieving greater effectiveness, creativity and capacity to thrive in a challenging and uncertain business environment. The Board takes into consideration and aims to make good use of the differences in the skills, industry experience, cultural background, age, gender, ethnicity and other qualities of the Directors as well as the Senior Management.

Hence the Board strives to ensure that there is no discrimination on age, gender, ethnicity, cultural background when deciding candidates on the composition of the Board and Senior Management.

The Company's strategic intent for diversity is the attraction, retention and development of a diverse team of skilled people who are increasingly engaged towards the delivery of the Company's strategies. The Policy is centered on the following initiatives:-

(a) Board of Directors

- Identifying potential candidates and balancing the mix of skills, expertise and industry experience, competencies, time devoted, gender, age, educational, cultural, ethnicity and backgrounds of Directors in the recruitment and selection process;
- Retaining Directors based on tenure, merit, in the context of skills, time commitments and experience and current composition of the Board in order for the effective functioning of the Board;
- The Nomination Committee is tasked with the following responsibilities:
 - To take into consideration the benefits from boardroom diversity and to appoint candidates based on merit and without prejudice, and strives to achieve at least 30% of women Director on the Board when reviewing the Board's composition;

- To consider the balance of skills, experience, independence, knowledge and the diversity of representation on the Board, as part of the annual performance evaluation on the effectiveness of the Board, Board Committees and individual Directors;
- To implement this Policy and to monitor progress towards the achievement of these objectives; and
- Upon identifying the appropriate candidate to be appointed as director or Board member, the Nominating Committee will make its recommendations to the Board for approval.

(b) Senior Management, Officers and Employees

In line with promoting diversity in the workplace, the Board has established the following procedures:

- (i) All persons, regardless of age, gender, ethnicity, cultural background or other personal factors, with appropriate experience and qualifications will be considered equally when recruiting new staff.
- (ii) There will be no preference given to male applicants for a position and will ensure that any women with appropriate experience and qualifications are considered equally in the recruitment and selection process.
- (iii) The setting of the remuneration levels of the Senior Management, officers and employees regardless of age, gender, ethnicity, cultural background or other personal factors without bias.
- (iv) All decisions associated with career advancement, including promotions, transfers, and other assignments, will have to meet the Company's needs and be determined based on skills and merit regardless of age, gender, ethnicity, cultural background or other personal factors.

(c) Training

All internal and external training opportunities will be based on needs regardless of age, gender, ethnicity, cultural background or other personal factors.

(d) Workplace Diversity Principles

The Company is committed to workplace diversity ensuring that we value and respect our differences and that our workplace is fair, accessible, flexible and inclusive and free from discrimination.

Promoting workplace diversity is everyone's responsibility and includes:

- practising and promoting behaviour consistent with the Company's policies;
- respecting different ways of thinking and using our employees' different perspectives to improve business outcomes;
- treat each other with respect and dignity;
- provide a safe, secure and healthy workplace;
- make decisions genuinely based on equity and fairness;
- value the diversity of people; and
- take appropriate action to eliminate discrimination.

4. Measurable Objective

The Board is mindful that for any set objectives to be effective, they should be measurable. On an annual basis, the Nomination Committee will discuss the measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption, where applicable.

In relation to gender diversity, the Company shall have at least one woman Director on the Board.

In order to ensure there is a healthy representation of women in Senior Management positions, the Board strives to achieve at least 20% of women participation.

5. Monitoring and Reporting

The diversity targets and measures should be assessed annually and the progress should be monitored to determine if they are effective. Where targets are not achieved, plans for improvement should be deliberated and reported to the Board.

Disclosure will also be made in the Annual Report and/or Corporate Governance Report which include the following:-

- (i) Policy on Board and Senior Management diversity including policy on gender;
- (ii) Measurable objectives to achieve Board and Senior Management diversity, if necessary; and
- (iii) Measures undertaken to meet the aforementioned objectives, if the objectives are not met.

This Diversity Policy was last reviewed by the Board on 19 April 2022 and is made available for reference on the Company's website, www.leonghupinternational.com.